



General Assembly

February Session, 2008

Raised Bill No. 5589

LCO No. 2144

02144_____CE_

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING BROWNFIELDS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2008*) (a) As used in this section,
2 "qualified recipients" means municipalities, economic development
3 authorities, regional economic development authorities, and nonprofit,
4 community or economic development corporations foreclosing,
5 developing, investigating, remediating and reusing or selling
6 brownfield properties within their towns and regions.

7 (b) There is established a remedial action and redevelopment
8 municipal grant program to be administered by the Department of
9 Economic and Community Development for the purpose of providing
10 grants to qualified recipients. Qualified recipients may use grant funds
11 for any development project, including manufacturing, retail,
12 residential, municipal, educational, parks, community centers and
13 mixed-use and the project's associated costs, including (1) soil,
14 groundwater and infrastructure investigation, (2) assessment, (3)
15 remediation, (4) abatement, (5) hazardous materials or waste disposal,
16 (6) long-term groundwater or natural attenuation monitoring, (7)
17 environmental land use restrictions, (8) attorneys' fees, (9) planning,

18 engineering and environmental consulting, and (10) building and
19 structural issues, including demolition, asbestos abatement,
20 polychlorinated biphenyls removal, contaminated wood or paint
21 removal and other infrastructure remedial activities.

22 (c) Applications shall be submitted in the manner prescribed by the
23 department and shall include selection factors pursuant to subsection
24 (d) of this section. The Commissioner of Economic and Community
25 Development shall award grants on a competitive basis, based at a
26 minimum on an annual request for applications, the first of which shall
27 be issued on October 1, 2008, and the following to be issued on June
28 first each year, with awards being made by the following January first.
29 The commissioner, at the commissioner's discretion, may increase the
30 frequency of requests for applications and awards depending upon the
31 number of applicants and the availability of funding.

32 (d) The commissioner, in consultation with the Commissioners of
33 Environmental Protection and Public Health, shall establish selection
34 factors for the purpose of determining which projects to fund pursuant
35 to this section. Such factors shall include, but not be limited to, (1) the
36 intended economic and community development opportunity such
37 reuse and redevelopment may provide; (2) the viability of the project;
38 (3) the contribution, if any, to the community's tax base; (4) the
39 demonstrated need for the development; (5) the past experience of the
40 applicant for funding in managing funds and in developing projects
41 efficiently and effectively; (6) the length of time the property has been
42 abandoned; (7) the taxes owed and the projected revenues that may be
43 restored to the community; (8) the overall municipal plan for
44 development; and (9) the environmental and public health benefits of
45 the project.

46 (e) A grant awarded pursuant to this section shall not exceed four
47 million dollars. If the eligible costs exceed four million dollars, the
48 commissioner may request and seek funding through other state
49 programs.

50 (f) If the qualified recipient develops and sells the property, such
51 recipient shall return any money received pursuant to this section,
52 minus twenty per cent, which such qualified recipient shall retain to
53 cover costs of oversight, administration, development and, if
54 applicable, lost tax revenue.

55 (g) Recipients of grants awarded pursuant to this section shall be
56 immune from liability to the extent provided in public act 06-184.

57 (h) The qualified recipient may make low-interest loans to a
58 redeveloper, if the future reuse is known and an agreement with the
59 redeveloper is in place and the private party is a coapplicant. Loan
60 principal and interest payments shall be returned, minus twenty per
61 cent of the principal, which the qualified recipient shall retain. If the
62 qualified recipient provides a loan, such loan may be secured by a state
63 or municipal lien on the property.

64 (i) Any grant recipients that provide a loan pursuant to subsection
65 (h) of this section shall enter a voluntary program with the
66 Commissioner of Environmental Protection for brownfield
67 remediation.

68 (j) The qualified recipient may acquire and convey its interest in the
69 property without such recipient or the subsequent purchaser incurring
70 liability, including any such liability incurred pursuant to section 22a-
71 134a of the general statutes, provided the property was remediated in
72 accordance with applicable state standards.

73 Sec. 2. (NEW) (*Effective July 1, 2008*) (a) The Department of Economic
74 and Community Development shall develop a targeted brownfield
75 development loan program to provide low-interest loans to potential
76 brownfield purchasers who have no direct or related liability for the
77 site conditions and existing property owners who (1) are currently in
78 good standing and otherwise compliant with the Department of
79 Environmental Protection's regulatory programs; (2) demonstrate an
80 inability to fund the investigation and clean-up themselves; and (3)

81 cannot retain or expand jobs due to the costs associated with the
82 investigating and remediating of the contamination.

83 (b) The commissioner shall provide low-interest loans to purchasers
84 or existing property owners pursuant to this section who seek to
85 develop property for purposes of retaining or expanding jobs in the
86 state or for developing housing to serve the needs of first-time home
87 buyers. Loans shall be available to manufacturing, retail, residential or
88 mixed-use developments, expansions or reuses. The commissioner
89 shall provide loans based upon project merit and viability, the
90 economic and community development opportunity, municipal
91 support, contribution to the community's tax base, number of jobs,
92 past experience of the applicant, compliance history and ability to pay.

93 (c) Any loan recipient who is a brownfields purchaser and who (1)
94 receives a loan in excess of thirty thousand dollars, or (2) uses loan
95 proceeds to perform a Phase II environmental investigation, shall be
96 subject to section 22a-134a of the general statutes or shall enter a
97 voluntary program with the Department of Environmental Protection.
98 Any loan recipient who is an existing property owner shall enter a
99 voluntary program with the Department of Environmental Protection.

100 (d) Loans made pursuant to this section shall have such terms and
101 conditions, and shall be subject to such eligibility, loan approval and
102 criteria, as determined by the commissioner. Such conditions shall
103 include, but not be limited to, performance requirements and
104 commitments to maintain or retain jobs. Loan repayment shall coincide
105 with the restoration of the site to a productive use or the completion of
106 the expansion. Such loans shall be for a period not to exceed twenty
107 years.

108 (e) If the property is sold before loan repayment, the loan is
109 immediately payable, with interest, unless the commissioner agrees
110 otherwise.

111 (f) Loans made pursuant to this section may be used for any

112 purpose, including the present or past costs of investigation,
113 assessment, remediation, abatement, hazardous materials or waste
114 disposal, long-term groundwater or natural attenuation monitoring,
115 costs associated with an environmental land use restriction, attorneys'
116 fees, planning, engineering and environmental consulting costs, and
117 building and structural issues, including demolition, asbestos
118 abatement, polychlorinated biphenyls removal, contaminated wood or
119 paint removal and other infrastructure remedial activities.

120 (g) For any loan made pursuant to this section that is greater than
121 fifty thousand dollars, the applicant shall submit a redevelopment plan
122 that describes how the property will be used or reused for commercial,
123 industrial or mixed-use development and how it will result in jobs and
124 private investment in the community. For any residential development
125 loan pursuant to this section, the developer shall agree that the
126 development will provide the housing needs reasonable and
127 appropriate for first-time home buyers or recent college graduates
128 looking to remain in this state.

129 (h) The loan program established pursuant to this section shall be
130 available to all qualified new and existing property owners. Recipients
131 who use loans for commercial, industrial or mixed-use development
132 shall agree to retain or add jobs, during the term of the loan, unless
133 otherwise agreed to by the Department of Economic and Community
134 Development, the Connecticut Development Authority and the
135 Connecticut Brownfield Redevelopment Authority. The residential
136 developer shall agree to retire the loan upon sale of the units unless the
137 development will be apartments.

138 (i) Each loan recipient pursuant to this section may be eligible for up
139 to two million dollars per year for up to two years, subject to agency
140 underwriting and reasonable and customary requirements to assure
141 performance. If additional funds are needed, the Commissioner of
142 Economic and Community Development may recommend that the
143 project be funded through the State Bond Commission.

144 Sec. 3. (NEW) (*Effective July 1, 2008, and applicable to income years*
145 *commencing on or after January 1, 2008*) (a) As used in this section, (1)
146 "eligible costs" means the cost of site investigation and remediation,
147 including all soil and groundwater costs and costs associated with
148 infrastructure abatement, demolition and rehabilitation, and (2)
149 "qualified brownfield site" means property undergoing a change of
150 ownership that is subject to section 22a-134a of the general statutes or
151 that is involved in a voluntary remediation program pursuant to
152 sections 22a-133x of the 2008 supplement to the general statutes and
153 22a-133y of the general statutes.

154 (b) There shall be allowed a credit against the taxes imposed under
155 chapters 208 and 229 of the general statutes for investigation and
156 remediation of brownfield properties. The credit shall be in an amount
157 equal to one hundred per cent of such taxpayer's eligible costs.

158 (c) If the credit, established pursuant to subsection (b) of this
159 section, reduces the taxpayer's liability to less than zero, the excess
160 credit may be used to reduce the taxpayer's liability in future years.

161 (d) Municipalities, economic development authorities, regional
162 economic development authorities, or nonprofit, community or
163 economic development corporations who do not pay taxes to the state
164 may also claim a tax credit for the eligible costs and sell those credits to
165 taxpayers.

166 Sec. 4. (*Effective July 1, 2008*) (a) The sum of thirty-two million five
167 hundred thousand dollars is appropriated to the Department of
168 Economic and Community Development, from the General Fund, for
169 the fiscal year ending June 30, 2009, for the remedial action and
170 redevelopment revolving municipal grant program, established
171 pursuant to section 1 of this act.

172 (b) The sum of thirty-two million five hundred thousand dollars is
173 appropriated to the Department of Economic and Community
174 Development, from the General Fund, for the fiscal year ending June

175 30, 2010, for the remedial action and redevelopment municipal grant
176 program, established pursuant to section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>July 1, 2008</i>	New section
Sec. 3	<i>July 1, 2008, and applicable to income years commencing on or after January 1, 2008</i>	New section
Sec. 4	<i>July 1, 2008</i>	New section

Statement of Purpose:

To implement the recommendations of the Brownfields Task Force.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]